

HB 1196

TAX SALES – ALTERNATIVE COLLECTION PROGRAMS HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE MARCH 1, 2022 POSITION: SUPPORT

The Pro Bono Resource Center of Maryland ("PBRC"), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. PBRC supports HB 1196 because it would allow jurisdictions in Maryland to make their own determinations about withholding certain properties from tax sales or otherwise delaying or cancelling tax sales under exigent circumstances, thereby potentially preserving homeownership for hundreds of Maryland families while addressing other local concerns.

Local jurisdictions are attuned to the needs of their residents. In Baltimore City, where PBRC primarily operates pro bono legal clinics each spring, we see that tax sale disproportionally affects the City's most vulnerable residents: in 2021, our clients were 81% seniors, 26% disabled, 84% identified as Black, and 81% reported annual household incomes of less than \$30,000. Baltimore also has a high particularly high number of residents facing tax sale: the City mailed Final Bills and Legal Notices to over 7,200 owner-occupied homes during the first week of February. In Baltimore, the tax sale system perpetuates the serious issue of inequity seen in the City by halting the passing of intergenerational wealth amongst families. Further, particular to Baltimore, tax sale contributes to vacancy and presents a pressing danger to City residents, as seen in the recent deadly fire that occurred in a vacant home with a title and liens marred by the tax sale process. The Mayor of Baltimore is committed to helping residents who are at risk of tax sale, committed to reducing the inequities, and committed to addressing the problem of vacancy. But, as the State tax sale law currently stands, he is hampered in his ability to alter the tax sale auction to better suit the needs of this City.

PBRC supports HB 1196, which will permit Baltimore City and the counties of Maryland to best determine how and when to conduct their tax sales according to their local needs, allowing for alternative options that may preserve homeownership for their residents. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on HB 1196.

Please contact Allison Harris, Director of PBRC's Home Preservation Project, with any questions. aharris@probonomd.org • 443-703-3050